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May 15, 2002

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VIA FAX 202-493-2251

RE:

Department of Transportation

National Highway Transportation Safety Administration

49 CFR Pat 571

Docket No. NHTSA-00-8011

Federal Motor Vehicle Safety Standards - Tires Notice of Proposed Rulemaking (NPRM)

Dear Sirs & Mesdames:

Specialty Tires of America ("Specialty")¹ manufactures several lines of bias-ply and bias-belted ("bias-ply") tires intended for specialized use as replacement tires on passenger cars and light trucks. The NPRM proposes to establish more tests and more rigorous test procedures for all "new pneumatic tires for use on motor vehicles with a GVWR of 10,000 pounds or less manufactured after 1975, except for motorcycles." The proposed regulation also excludes tires used on medium and heavy vehicles and temporary spare tires. Importantly to Specialty, the agency's draft intends to establish identical performance standards for tires of bias-ply and radial ply construction and to include all specialty products and mass market tires under a single regulation. (NPRM §VII. 4). Because the proposed standards are wholly inappropriate for bias

¹Specialty Tires of America has operated as a manufacturer of quality tires since 1915, 2nd is among a small group of specialty tire manufacturers classified as small businesses under standards established by the Small Business Administration (13 CFR §121).

ply tires and will potentially result in the outlawing of bias-ply tires from the light vehicle market, Specialty proposes that the performance standards contained in the existing FMVSS Nos.109 and 119 be retained for light vehicle bias-ply tires and that new standards be limited in their applicability to mass market light vehicle radial tires.

According to the NPRM's Executive Summary and Overview, the new test parameters are based on NHTSA's extensive testing and data gathering and analysis activities undertaken in response to the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act of 2000. The TREAD Act was passed because of perceived performance problems with light gauge radial tires (not bias-ply tires) on cars and sport utility vehicles.² The proposed tire performance regulation is directed at and wholly the result of field experience with and testing of radial tires. No testing was performed upon bias-ply tires.³ The tests that were performed and those proposed were specifically designed for standard radial tires.⁴ The tests considered the characteristics of radial tires, which differ significantly from those of bias-ply tires. There is no evidence that field performance of bias-ply tires, in their current limited applications, which take advantage of the durability of the bias carcass, sidewall stiffness and strength of the tire, justifies additional or more rigorous testing.⁵ The following are examples of the language in the NPRM:

"These characteristics of a radial tire construction are what make the existing high speed test, endurance test, strength test and bead-unseating test appear to be ineffective in differentiating among today's radial tires with respect to these aspects of performance." (NPRM § IV. A)

²NHTSA's focus on radial tire performance is mirrored in the current commercial insurance market. In Specialty's recent insurance renewals, insurers expressed a reluctance to cover radial tires, while maintaining unchanged their willingness to cover bias-ply products under standard criteria.

³While Specialty is responding as a bias-ply tire manufacturer, it is our understanding, also, that deep tread type tires and limited production tires (as defined in 49 CFR §575.104(c)) of either bias-ply or radial construction were not involved in either the Ford/Firestone recall or in NHTSA's tests, and accordingly, should also be governed by FMVSS Nos. 109 and 119, and not the proposed FMVSS No. 139.

⁴For example, in footnote 6 of the NPRM. The agency states "The FMVSS No. 109 Plunger energy or strength test was designed to evaluate the strength of the reinforcing materia s in bias ply tires...., and it continues to serve a purpose for these tires."

⁵The NPRM states that a new testing regime is needed because the existing FMVSS Nos. 109 and 119 tests were established specifically for bias-ply tires and do not adequately test the newer radial design. (NPRM IV. A)

Tire under-inflation, high ambient temperature, and vehicle load are among the factors being considered in the <u>ongoing evaluation of the radial tire failures</u> that have occurred in recent years." (NPRM § IV. A)

The proposed standard's "testing procedures and requirements result from the testing and analysis of solely radial tires. (NPRM § VI.I.4 (3))

Rubber Manufacturers' Association ("RMA") data and Specialty's experience show that there is a small, but economically viable demand for specialty, bias-ply tires for light vehicles. Specialty manufactures approximately 300,000 specialty, bias-ply tires of the types proposed to be covered by the NPRM. For the year 2000, the RMA's breakdown for shipments of radial and bias-ply tires for the passenger car and light truck markets look like this:

| Passenger Original Equipment | RADIAL | | BIAS-PLY | |
|--------------------------------|----------------|--------|------------|--------|
| | 56,370,000 (9 | 93.7%) | 3,820,0006 | (6.3%) |
| Passenger Replacement | 198,119,000 (9 | 99.6%) | 755,000 | (0.4%) |
| Light Truck Original Equipment | 7,203,000 (9 | 98.3%) | 124,000 | (1,7%) |
| Light Truck Replacement | 33,115,000 (9 | 96.5%) | 1,214,000 | (3.5%) |
| TOTALS | 294,480,700 (9 | 98.0%) | 5,913,000 | (2.0%) |

Excluding temporary spares, only 2.1 million, less than 1% of all tires classified for passenger cars and light trucks, are of bias-ply construction.

Specialty competes in this "less than 1% market." Our sales are concentrated in specialized replacement markets for collector, all-terrain on- and off-road vehicles and other vehicles which are not exposed to the conditions identified as giving rise to the TREAD ACT's requirement ⁷ to "update tire standards published at 49 CFR 571.109 and 49 CFR 571.119." Some of these vehicles have both on - and off - highway uses, therefore requiring the DOT designation. A number

⁶Bias-ply tires on new passenger cars are temporary spares. Specialty is not aware of ary new passenger cars equipped with bias-ply tires in the wheel positions.

⁷See NHTSA, <u>Preliminary Economic Assessment. FMVSS No. 139, Proposed New Pneumatic Tires for Light Vehicles</u> (October, 2001) Sections I, III, and IV, dealing with the Firestone Recall, the Target Population, and the Projected Benefits of the regulations.

of tires made for collector car enthusiasts will be required to undergo the new test procedures, as well as tires used exclusively for recreational, show, and sporting purposes.

The companies represented in NHTSA's reported tests are the largest global tire manufacturers. They include Michelin, Goodyear, Yokohama, Pirelli, Bridgestone, Toyo and Cooper. According to the Rubber & Plastics News "2001 Global Tire Company Rankings⁸," all of these companies ranked in the top 10 of worldwide tire companies in 2000, with tire sales ranging from \$1.3 Billion to \$13.75 Billion. Employment at these companies average more than 58,000 employees, having a range of 5,401 for Toyo to 128,122 employees for Michelin. Specialty Tires of America, as its name connotes, manufactures pneumatic tires for specialized applications. All the company's tires are made at two United States plant locations employing less than 600 people. Total annual sales are less than \$100 million.

A conservative, i.e., low cost, estimate of the cost for completing the required tests for a single tire design and size is \$3,000.\(^{10}\) Across all light vehicle tire lines manufactured by Specialty, simply conducting re-qualifying tests will add more than \$1,500,000 to Specialty's cost structure, without any identifiable benefit to consumers or the traveling public. Unlike the large companies whose tires were used in NHTSA's tests, however, Specialty's production runs are small, in mary cases involving fewer than 500 tires and of a duration of ten days or less. Specialty's annual sales volumes of passenger tires, by size, averages 500 units, and of light truck tires, the average is less than 700 units. In 2001, Specialty sold more than 500 design and size combinations of passenger and light truck tires.

While the cost of testing and the logistics involved in re-qualifying each tire size are far more burdensome to Specialty than to the top companies in the industry, any cost analysis of further testing of bias-ply tires may be purely academic. Given that the criteria for testing is based upon the types of tires typically offered as standard equipment on passenger cars, sport utility vehicles and light trucks, i.e., mass-produced and marketed light gauge radial tires of the type

⁸Rubber & Plastics News "2001 Global Tire Company Rankings," August 20, 2001. pp.: 14-15.

⁹ <u>Id.</u>, p.12.

¹⁰Specialty currently subjects each tire by size and design to extensive, multiple qualifyir g DOT tests. Therefore, a minimum of 500 separate items would require multiple runs of the full array of proposed FMVSS 139 tests to assure compliance.

subjected to NHTSA's testing, our concern is that the tests set an impossibly high bar for specialty, bias-ply tires. Specialty has not evaluated the engineering and manufacturing costs to bring bias-ply tires into compliance with the new requirements, i.e., modifying/replacing molds and machinery, tire specification, etc., to determine the cost of making these tires comply. In a large number of our product lines, compliance at any cost will not be possible, and Specialty will need to discontinue their production. This action would result in an adverse effect on more than 25% of our revenue and employment and remove from the market a number of perfectly safe products. In other words, the proposed standard will result in the outlawing of a substantial number of our tires which are suited for their intended uses, are fully compliant with current performance standards, and what is most important, have proved to be safe alternatives to radials in their applications.

Specialty will be pleased to respond to further inquiry by NHTSA regarding specialty, biasply tires manufactured by our company. Our fax number is 724-838-2344; the e-mail address is tms@westol.com We are certain, however, that you will find our experience and that of our customers and users do not justify subjecting bias-ply products to additional and more onerous testing requirements.

Very Truly Yours,

Donald D. Mateer III

President and Chief Executive

Small & Water III

Officer

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